

Introduced by Senator Lowenthal

February 23, 2006

An act to add Chapter 2.3 (commencing with Section 17248) to Part 10.5 of the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1456, as introduced, Lowenthal. School facilities: construction, rehabilitation, and modernization: best value contracting.

Existing law authorizes a school district governing board to enter into a design-build contract, as defined, in which factors in addition to price and cost may be considered in awarding a contract for the design and construction of a school facility that exceeds \$10,000,000.

This bill would authorize a school district to let a contract for a public school construction, rehabilitation, or modernization project pursuant to a "best value" bid valuation process established by the school district governing board, as specified, if the estimated cost of labor, materials, overhead, and profit for the project exceeds \$2,000,000, and the school district determines that taxpayers reasonably can expect a net benefit in the cost of district services if the contract for the project is let in accordance with the best value process.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 2.3 (commencing with Section 17248)
- 2 is added to Part 10.5 of the Education Code, to read:

CHAPTER 2.3. BEST VALUE CONTRACTING

17248. (a) The purpose of this section is to provide school districts with an alternative bid valuation method for use in the competitive procurement process for public school construction, rehabilitation, and modernization projects that will result in reduced costs to taxpayers.

(b) If the estimated cost of labor, materials, overhead, and profit for a public school construction, rehabilitation, or modernization project exceeds two million dollars (\$2,000,000), and the school district determines that taxpayers reasonably can expect a net benefit in the cost of district services if the contract for the project is let in accordance with a best value bid valuation process adopted by the school district governing board under this section, the school district may let the contract pursuant to that process.

(c) A governing board may adopt a best value bid valuation process under this section that considers, but need not be limited to, all of the following, in addition to the proposed bid amount:

(1) Price and service level proposals that reduce the school district's overall operating costs.

(2) A procedure for protest and resolution.

(3) The total costs to the district relating to the project.

(4) The value to the district of contractor-added services.

(5) The quality, effectiveness, and innovation of supplies, materials, and services.

(6) The reliability of project delivery schedules.

(7) The terms and conditions of contractor guarantees.

(8) The financial stability of the contractor, as demonstrated by a prequalification process adopted by the governing board.

(9) The contractor's experience with construction, rehabilitation, and modernization projects.

(10) Proposals that provide for accelerated project delivery.

(11) Project cost containment.

(12) Reduction of construction complexity.

(13) Reduced exposure to risk for the school district.

(14) The economic benefits to the general community, including, but not limited to, job creation or retention.

(15) Any other factor that the governing board determines to be relevant.

1 (d) The school district shall ensure that all businesses have a
2 fair and equitable opportunity to compete for, and participate in,
3 district contracts and shall also ensure that discrimination in the
4 award and performance of contracts does not occur on the basis
5 of race, color, sex, national origin, marital status, sexual
6 preference, creed, ancestry, medical condition, or retaliation for
7 having filed a discrimination complaint in the performance of
8 district contractual obligations.

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